

Trickle Research

Every raging river, every great lake, every
deep blue sea starts ... with a trickle



Allocation Upgrade



BioSig Technologies, Inc.

(NasdaqCM: BSGM)

Report Date: 01/04/22

12- 24 month Price Target: \$8.25

Allocation: *5

Closing Stock Px at Initiation (Closing Px:04 /03/20): \$5.14

Closing Stock Px at Allocation Downgrade (Closing Px:05 /13/20): \$10.99

Closing Stock Px at Allocation Upgrade and Target Downgrade (Closing Px:11/19/20): \$4.08

Closing Stock Px at Allocation Upgrade (Closing Px:04/16/21): \$3.88

Closing Stock Px at This Allocation Upgrade (Closing Px:01/04/22): \$2.44

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Disclosure: Portions of this report are excerpted from BioSig's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

We provided an update on BioSig on December 9, 2021. The summary to that update is as follows:

To summarize, we remain constructive on BioSig's prospects, and we think some of the progress noted above supports that view. That said, while we believe the evaluation program they have deployed has provided marked value on multiple fronts, we also think it is time for that to begin to translate into sales. To reiterate, we expect 2022 to reflect that transition and if it does not, we may need to reassess our views regarding PURE EP's value proposition(s). The above considered, we are reiterating our allocation of 4 for the time being, although our inclination is to raise that in the face of the recent marked compression in the stock. In addition, despite our discussion around dilution we are reiterating our 12-24 month price target of \$8.25 with the recognition that it is on the high end of our range. We will reassess each of these as visibility dictates.

Subsequent to that update, on December 21, 2021, the Company held a conference call and provided an update largely on their upcoming sales and marketing efforts. That discussion included comments from BioSig's recently appointed Chief Commercial Officer Gray Fleming. Mr. Fleming has extensive experience, which includes senior sales leadership at Abbott. The call also included discussion from Jim Walker, who is the founder and CEO of Access Strategy Partners. BioSig recently engaged Access Strategy Partners to assist in the marketing and sales of PURE EP. Here is an excerpt from the announcement regarding the engagement of Access Strategy Partners:

Westport, CT, Dec. 21, 2021 (GLOBE NEWSWIRE) -- BioSig Technologies, Inc. (Nasdaq: BSGM) ("BioSig" or the "Company"), a medical technology company commercializing an innovative signal processing platform designed to improve signal fidelity and uncover the full range of ECG and intra-cardiac signals, today announced that it appointed Access Strategy Partners, Inc. to advise on the next phase of the commercial roll-out.

Led by medical device sales experts, Boston-based Access Strategy Partners brings to BioSig deep expertise in commercialization, contract management, execution, and value proposition optimization. The company's Co-Founder and President, Jim Walker, is a healthcare executive with more than 30 years of experience in sales, marketing, sales operations, and national accounts management in some of the leading companies in the medical device sector, including Boston Scientific Corporation (BSC) and Johnson & Johnson. His experience spans domestic and international responsibilities, focusing on strategic market development and key customer management. During his 18-year career with Boston Scientific Corporation, Mr. Walker established the organization as a recognized leader with Group Purchasing Organizations. He created a world-class Corporate Sales organization that represented the full BSC portfolio to supply chain executives across every level of market aggregation, including group purchasing organizations (GPOs), national and regional integrated delivery networks (IDNs), and National and Regional Purchasing Alliances. Mr. Walker was the company's lead strategic pricing advisor and gained the support of the executive management team to invest in and develop an enterprise-wide contract management system that provides global pricing intelligence and profitability analysis capabilities.

"ASPI was founded to provide strategic relationship management for emerging medical device companies," said Jim Walker. "Our sales conversations are all about delivering excellent clinical and economic value. BioSig and its breakthrough PURE EP(TM) product bring meaningful benefits to physicians and patients that we are thrilled to introduce to healthcare providers."

Under the terms of the new collaboration, Access Strategy Partners will advise BioSig on all aspects of commercial strategy, including economic value modeling, hospital administration engagement, and contracting.

To briefly revisit a few things from our recent update, PURE EP is a relatively high ticket and technical medical device. To translate, it is not easy to sell, and while there have certainly been some unexpected challenges (re:

Covid19), the Company has spent the last two years or so trying to figure out the keys to selling units. To reiterate, much of the Company's efforts have focused on getting units into the field for EP's to use and evaluate. That process, while perhaps short on yielding actual sales, was in our view constructive. It provided considerable clinical support for the valuation proposition of PURE EP, while also seeding a footprint of potential high profile healthcare system customers. That said, it is time to convert those evaluations into sales (or to collect them back from the facilities). To that point, we think Gray Fleming was quite clear about his focus on converting those units.

What we think is becoming clear here, and we definitely think the call supported this notion, is that the Company is aggressively turning its focus to sales and that includes the addition of the people we just noted. We were quite encouraged by the "body language" of those players...in a virtual sort of way. That is, we think they are saying the right things.

To be clear, while we are highly encouraged by the direction, we are not sure if it translates into sales visibility just yet. Again, we covered much of this in our prior update wherein we discussed the number of evaluation systems in the field and given the new sales muscle, what we think should result in a considerable number of sales conversions, but again, that remains speculative at this point. However, we are at the point where we think we should start to see announcements or at least filings that reflect sales progress and we think that scenario would speak to better valuations for the shares. Obviously, if we are wrong about those sales then our valuation assumptions could be wrong as well.

To revisit the opening paragraph above, which was the summary/conclusion of the prior update, despite the challenges to this point, we like the setup here. Succinctly, and we recognize we say this more than we should about some of our coverage stories, all things considered (and with the benefit of hindsight) we think BioSig is probably in the best posture it has ever been in. Of course, the fact or fiction of that view will ultimately be predicated on our perception of the value proposition of PUR EP translating into sales. As we said, we think the new sales muscle will prove constructive in that regard.

Lastly, in conjunction with our summary from the prior update: "*we are reiterating our allocation of 4 for the time being, **although our inclination is to raise that in the face of the recent marked compression in the stock***", given that BioSig shares have discounted even further from the close of that update (\$2.75 on 12/09/21) we are going to take the opportunity to raise our allocation as suggested from 4 to *5.

Projected Operating Model

BioSig Technologies, Inc.						
Projected Operating Overview						
By: Trickle Research LLC						
	(actual)	(actual)	(actual)	(estimate)	(estimate)	(estimate)
	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>	<u>Fiscal 2021</u>	<u>Fiscal 2022</u>
Revenues:						
Unit Sales	\$ 118,047	\$ 207,000	\$ 100,000	\$ 190,000	\$ 615,047	\$ 7,220,000
Recurring Maintenance and Service Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Other Revenue	\$ -	\$ -	\$ 8,000	\$ -	\$ 8,000	\$ -
	\$ -	\$ -	\$ -	\$ -		
Total Revenue	\$ 118,047	\$ 207,000	\$ 108,000	\$ 190,000	\$ 623,047	\$ 7,420,000
Cost of Goods	\$ 98,618	\$ 62,000	\$ 38,000	\$ 40,000	\$ 238,618	\$ 1,406,000
Gross Profit (Loss)	\$ 19,429	\$ 145,000	\$ 70,000	\$ 150,000	\$ 384,429	\$ 6,014,000
					\$ -	\$ -
Operating expenses:						
Research and development	\$ 1,265,707	\$ 1,667,000	\$ 1,315,000	\$ 1,405,700	\$ 5,653,407	\$ 5,822,600
General and administrative	\$ 7,271,461	\$ 6,480,000	\$ 6,505,000	\$ 6,413,800	\$ 26,670,261	\$ 26,128,400
Depreciation and amortization	\$ 42,000	\$ 49,000	\$ 51,000	\$ 51,102	\$ 193,102	\$ 205,432
Total operating expenses	\$ 8,579,168	\$ 8,196,000	\$ 7,871,000	\$ 7,870,602	\$ 32,516,770	\$ 32,156,432
Loss from operations	\$ (8,559,739)	\$ (8,051,000)	\$ (7,801,000)	\$ (7,720,602)	\$ (32,132,341)	\$ (26,142,432)
Other income (expense):					\$ -	\$ -
Gain on change in fair value of derivatives	\$ -	\$ -	\$ 553,000	\$ -	\$ 553,000	\$ -
Interest income	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 2,000	\$ -
Loss before income taxes	\$ (8,558,739)	\$ (8,051,000)	\$ (7,247,000)	\$ (7,720,602)	\$ (31,577,341)	\$ (26,142,432)
Income taxes (benefit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (8,558,739)	\$ (8,051,000)	\$ (7,247,000)	\$ (7,720,602)	\$ (31,577,341)	\$ (26,142,432)
Preferred stock dividend	\$ (2,000)	\$ (3,000)	\$ (2,000)	\$ (4,700)	\$ (11,700)	\$ (18,800)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (8,560,739)	\$ (8,054,000)	\$ (7,249,000)	\$ (7,725,302)	\$ (31,589,041)	\$ (26,161,232)
Non-controlling interest	\$ (239,421)	\$ (350,000)	\$ 6,000	\$ -	\$ (583,421)	\$ -
NET LOSS ATTRIBUTABLE TO BIOSIG TECHNOLOGIES, INC.	\$ (8,321,318)	\$ (7,704,000)	\$ (7,255,000)	\$ (7,725,302)	\$ (31,005,620)	\$ (26,161,232)
Net loss per common share, basic (in Dollars per share)	\$ (0.26)	\$ (0.24)	\$ (0.21)	\$ (0.22)	\$ (0.93)	\$ (0.64)
	\$ (0.26)	\$ (0.24)	\$ (0.21)	\$ (0.22)	\$ (0.93)	\$ (0.64)
Weighted average number of common shares outstanding, basic (in Shares)	31,584,142	32,169,191	34,856,502	35,618,496	33,557,083	40,846,671
Weighted average number of common shares outstanding, diluted (in Shares)	31,584,142	32,169,191	34,856,502	35,618,496	33,557,083	40,846,671

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Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals \$250) and 10 representing 10 investment units or \$2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit \$25,000 to buying micro-cap stocks, that would assume an investment of \$1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at \$1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same \$250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting \$1000 into the position ($\250×4). If we later raise the allocation to 6, you might consider adding two additional units or \$500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

A Trickle rating of 1 thru 3 would best correspond to a "Speculative Buy" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.

A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.

A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.